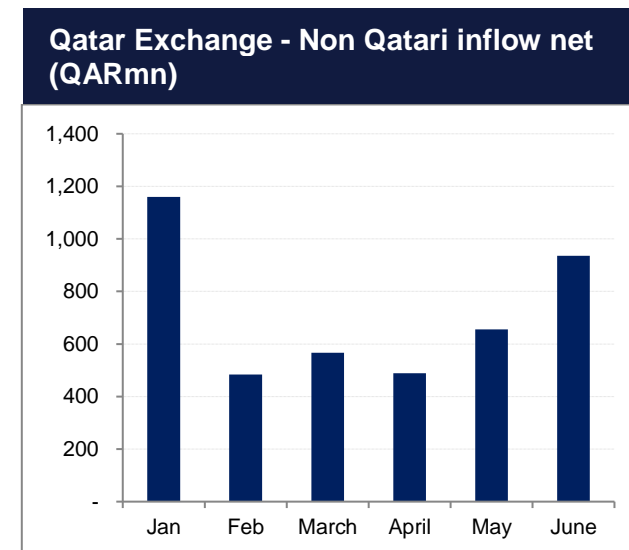
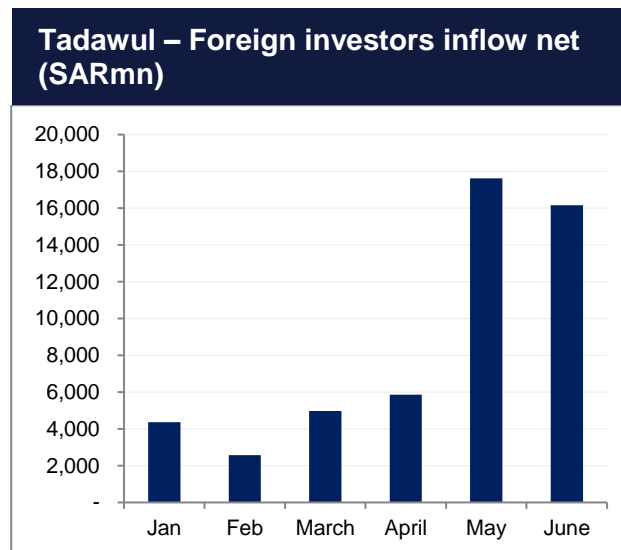
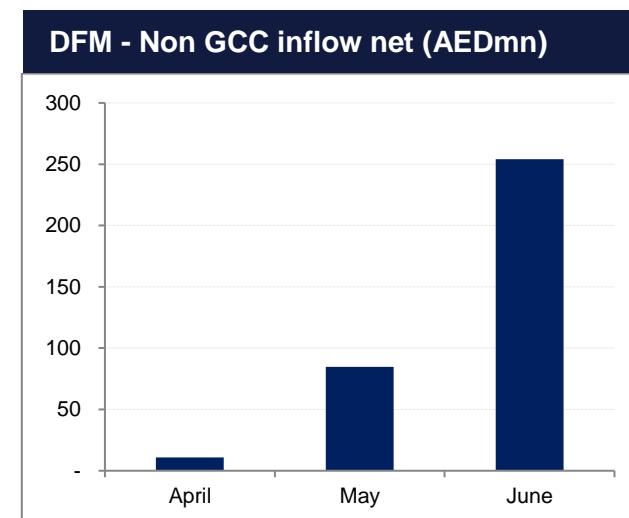
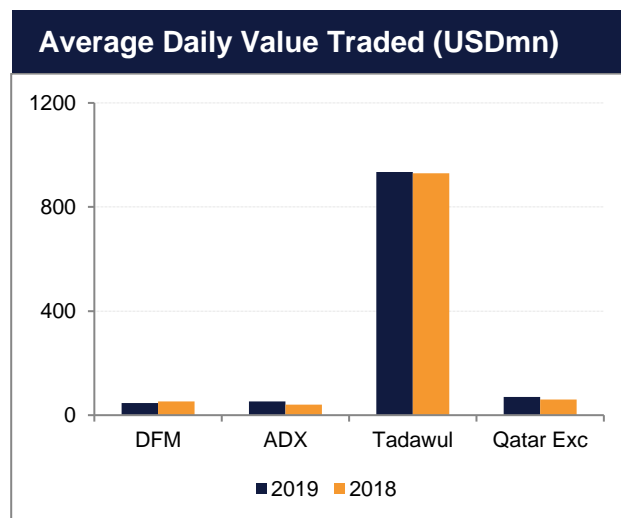


GCC Equity Flow Monitor – June 2019

18 July 2019

Commentary

- In Q2 2019, GCC equity markets closed higher for a second consecutive quarter with the MSCI GCC Countries index adding +0.5%. GCC equities have now closed higher in five of the last six quarters. On a m/m basis, the index gained +2.5% in June 2019 helped by +3.6% m/m gain on the Tadawul and +1.5% m/m gain on the DFM index.
- The second quarter was dominated by passive flows related to inclusion of Saudi equities into the various EM indices and changes in weights of existing stocks.
- The Tadawul saw inflows for a seventh consecutive month. In fact, the quantum of aggregate inflows in Q2 2019 was the largest since we started tracking the data. Over the last three months, foreign investors on an aggregate basis were net buyers to the tune of SAR 39.6bn. The foreign ownership of stocks rose to a record 7.47% at the end of June 2019.
- Interestingly, Saudi institutional investors were net sellers for a fifth consecutive month. On an aggregate basis, they were net sellers of SAR 22.3bn in Q2 2019.
- The DFM index saw inflows from foreign investors for all three months in Q2 2019 with the highest inflows in June 2019 wherein non-GCC investors bought stocks worth AED 254.2mn.
- The Qatar Exchange saw inflows from foreign investors for a 16th consecutive month. The inflows in June 2019 of QAR 936mn was the highest since the start of the year.
- Despite increased inflows, trading volume remained rather subdued. In H1 2019, the average daily value traded was flat on the Tadawul relative to 2018 while it declined 11% on the DFM index. The ADX index was a notable exception where volumes jumped 31%.



Source: Bloomberg, Emirates NBD Research

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